

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

FILED
JOHN P. HEHMAN
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U.S. DISTRICT COURT
SOUTHERN DIST. OHIO
WESTERN DIV. DAYTON

UNITED STATES OF AMERICA

CASE NO. 3:13-175

v.

LANCE EALY

SUPERSEDING INDICTMENT

18 U.S.C. § 287

18 U.S.C. § 1028A(a)(1)

18 U.S.C. § 1029(a)(2), (b)(1)

18 U.S.C. § 1029(a)(3)

18 U.S.C. § 1341

18 U.S.C. § 1343

THE GRAND JURY CHARGES THAT:

THE FRAUDULENT TAX REFUND SCHEME

1. Beginning in at least October 2012 and continuing until at least November 2013, **LANCE EALY**, in the Southern District of Ohio, devised and executed a scheme to obtain payment of false claims for refunds from the Internal Revenue Service, a bureau of the United States Department of Treasury, by electronically filing in the names of others false, fictitious and fraudulent 2012 federal income tax returns that claimed refunds to which **LANCE EALY** knew he was not entitled.

2. To accomplish the object of this fraudulent tax refund scheme, beginning on at least January 12, 2013 and continuing until at least July 27, 2013, **LANCE EALY**, in the Southern District of Ohio, communicated with the email account “wangsangpi@gmail.com” via email using one or more email accounts that he controlled, including: “lanceealy123@yahoo.com” and “lanceealy@yahoo.com” in order to unlawfully obtain the personal identifying information (“PII”) (which included stolen means of identification as

defined in 18 U.S.C. § 1028(d)(7)) of more than 200 individuals who reside or previously resided in the United States.

3. The PII that **LANCE EALY** unlawfully obtained included the individuals' names, addresses, social security numbers, dates of birth, places of work, duration of work, state driver's license numbers, mothers' maiden names, bank account numbers, bank routing numbers, e-mail account names, and other account passwords. **LANCE EALY** would thereafter use this unlawfully obtained PII (in particular names, birth dates and Social Security numbers) to prepare false, fictitious and fraudulent federal income tax returns.

4. The type of PII that **LANCE EALY** acquired is commonly referred to as "fullz" or "fulls," by individuals involved in the theft and fraudulent use of PII. The terms "fullz" and "fulls" ("Full Info(s)") are slang terms that describe a package of PII.

5. It was further part of the scheme to defraud, that using this unlawfully obtained PII – in particular the unlawfully obtained names, dates of birth and Social Security numbers – **LANCE EALY** created false Forms W-2. The Forms W-2 were false in that the individual named on the form did not actually work for the employer listed therein. The Forms W-2 were also fraudulent because the indicated wages and withheld taxes were false. **LANCE EALY** attached the fraudulently prepared Forms W-2 to the false, fictitious and fraudulent 2012 federal income tax returns that he had prepared, which were then electronically filed with the Internal Revenue Service.

6. The false, fictitious and fraudulent 2012 federal income tax returns that **LANCE EALY** prepared also contained additional false entries, such as false household income and false Form 1099 withholdings.

7. It was further part of the scheme to defraud that **LANCE EALY** directed the fraudulent tax refunds to be electronically deposited into fraudulently opened bank accounts controlled by **LANCE EALY**. Specifically, **LANCE EALY** fraudulently opened dozens of bank accounts using the names and social security numbers of other individuals at multiple financial institutions, including JPMorgan Chase (“JPMorgan”), Navy Federal Credit Union (“Navy Federal”), U.S. Bank and Wells Fargo. In some cases, **LANCE EALY** would open multiple fraudulent bank accounts in the name of a single individual. **LANCE EALY** also opened additional fraudulent bank accounts in which he transferred all or part of the fraudulent tax refunds. None of these individuals authorized **LANCE EALY** to use their names and social security numbers to open these bank accounts. Nor did any of these individuals authorize **LANCE EALY** to electronically deposit fraudulently obtained federal tax refunds into any of these bank accounts or use any of these bank accounts to transfer fraudulently obtained federal tax refunds.

Representative Fraudulent Bank Accounts Controlled by LANCE EALY in which he Deposited and/or Transferred Fraudulent Tax Refunds					
Paragraph	Initials of Purported Account Holder	Social Security Number of Purported Account Holder	Financial Institution	Account Number	Approximate Date Account Opened
7(a)	R.P.	XXX-XX-6830	JPMorgan	x7596	3/17/2013
7(b)	K.M.	XXX-XX-3204	JPMorgan	x0983	4/26/2013
7(c)	J.F.	XXX-XX-4319	JPMorgan	x5106	3/20/2013
7(d)	R.S.	XXX-XX-3988	JPMorgan	x9910	01/23/2013
7(e)	J.F.	XXX-XX-4319	JPMorgan	x8228	04/15/2013
7(f)	R.B.	XXX-XX-6435	JPMorgan	x1650	01/19/2013
7(g)	K.M.	XXX-XX-3204	JPMorgan	x3161	02/26/2013
7(h)	A.O.	XXX-XX-7758	JPMorgan	x0261	01/29/2013
7(i)	T.A.	XXX-XX-8184	U.S. Bank	x9759	04/15/2013

8. Beginning as early as on or about January 28, 2013 and continuing to at least October 17, 2013, **LANCE EALY** electronically filed at least one hundred fifty (150) false, fictitious and fraudulent federal income tax returns, including at least fifty (50) false, fictitious and fraudulent income tax returns using the PII that he had unlawfully acquired from the operator of the “wangsangpi@gmail.com” email account.

COUNT 1
[18 U.S.C. § 1029(a)(3)]

9. On or about February 25, 2013, in the Southern District of Ohio defendant **LANCE EALY**, knowingly and with intent to defraud, possessed fifteen or more devices that were counterfeit and unauthorized access devices, and this possession affected interstate and foreign commerce.

In violation of 18 U.S.C. § 1029(a)(3).

COUNTS 2-12
[18 U.S.C. § 287]

10. The allegations in Paragraphs 1 through 8 of this Superseding Indictment are realleged and incorporated by reference as though full set forth herein.

11. On or about the dates listed below, in the Southern District of Ohio, **LANCE EALY** knowingly made and presented, and caused to be made and presented claims against the United States for payment of tax refunds in the amounts set forth below, with the knowledge that these claims were false, fictitious and fraudulent. **LANCE EALY** made these claims by preparing and causing to be prepared, and filing and causing to be electronically filed, United States Individual Income Tax Returns, for the individuals whose initials are listed below, which were presented to the United States Department of the Treasury, through the Internal Revenue Service, each false, fictitious and fraudulent claim consisting a separate count.

Count	Taxpayer's Initials	Approximate Filing Date	Refund Claimed
2	M.P.	January 30, 2013	\$4,711.00
3	D.W.	February 1, 2013	\$4,996.00
4	S.J.	February 5, 2013	\$1,300.00
5	S.F.	July 8, 2013	\$1,408.00
6	D.B.	October 9, 2013	\$611.00
7	J.C.	October 9, 2013	\$588.00
8	T.N.	October 9, 2013	\$600.00
9	Y.S.	October 15, 2013	\$488.00
10	F.R.	October 16, 2013	\$444.00
11	A.T.	October 16, 2013	\$1,252.00
12	J.G.	October 16, 2013	\$499.00

All in violation of 18 U.S.C. § 287.

COUNTS 13-23
[18 U.S.C. § 1343]

12. Beginning in at least October 2012 and continuing until at least November 2013, in the Southern District of Ohio, **LANCE EALY** knowingly devised, participated in, and executed a scheme and artifice to defraud the Internal Revenue Service to obtain money from the Internal Revenue Service, by means of false or fraudulent pretenses, representations, and promises, which were material in that, if believed, they would and did induce the United States to issue federal income tax refund payments.

13. The fraudulent scheme was executed by **LANCE EALY** in the manner as alleged in Paragraphs 1 through 8 and Paragraph 11 of this Superseding Indictment, which are hereby incorporated by reference as if set forth fully herein.

14. On or about the dates listed below, in the Southern District of Ohio, **LANCE EALY**, for the purpose of executing the above-described scheme and artifice to defraud the Internal Revenue Service, transmitted and caused to be transmitted by means of wire

communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds as described for each count below:

Count	Approximate Date of Wire Transmission	Wire Communication
13	January 30, 2013	Electronic submission of federal tax return to the Internal Revenue Service in the name of "M.P." claiming a fraudulent tax refund of \$4,711.00
14	February 1, 2013	Electronic submission of federal tax return to the Internal Revenue Service in the name of "D.W." claiming a fraudulent tax refund of \$4,996.00
15	February 5, 2013	Electronic submission of federal tax return to the Internal Revenue Service in the name of "S.J." claiming a fraudulent tax refund of \$1,300.00
16	July 8, 2013	Electronic submission of federal tax return to the Internal Revenue Service in the name of "S.F." claiming a fraudulent tax refund of \$1,408.00
17	October 9, 2013	Electronic submission of federal tax return to the Internal Revenue Service in the name of "D.B." claiming a fraudulent tax refund of \$611.00
18	October 9, 2013	Electronic submission of federal tax return to the Internal Revenue Service in the name of "J.C." claiming a fraudulent tax refund of \$588.00
19	October 9, 2013	Electronic Tax Return in the name of "T.N." claiming a fraudulent tax refund of \$600.00
20	October 15, 2013	Electronic Tax Return in the name of "Y.S." claiming a fraudulent tax refund of \$488.00
21	October 16, 2013	Electronic Tax Return in the name of "F.R." claiming a fraudulent tax refund of \$444.00
22	October 16, 2013	Electronic Tax Return in the name of "A.T." claiming a fraudulent tax refund of \$1,252.00
23	October 16, 2013	Electronic Tax Return in the name of "J.G." claiming a fraudulent tax refund of \$499.00

All in violation of 18 U.S.C. § 1343.

COUNT 24-34
[18 U.S.C. § 1028A(a)(1)]

15. The allegations in Paragraphs 1 through 8, Paragraph 11, Paragraph 13 and Paragraph 14 of this Superseding Indictment are realleged and incorporated by reference as though full set forth herein.

16. On or about the dates listed below, in the Southern District of Ohio, **LANCE EALY** knowingly transferred, possessed, and used, without lawful authority, the means of identification of other persons, including the names and Social Security numbers of actual persons known to the Grand Jury and identified below by their initials, during and in relation to a felony enumerated in 18 U.S.C. § 1028A(c), namely wire fraud, in violation of 18 U.S.C. § 1343, as charged in in Counts 13 through 23 of this Superseding Indictment. Each of the foregoing allegations is hereby incorporated into each of the following counts as if fully set forth therein:

COUNT	DATE OF OFFENSE (on or about)	RELATED FELONY	INITIALS OF ACTUAL PERSON WHOSE NAME WAS USED	MEANS OF IDENTIFICATION
24	January 30, 2013	Wire Fraud, as charged in Count 13 of this Superseding Indictment	M.P.	Name and Social Security Number XXX-XX-8483
25	February 1, 2013	Wire Fraud, as charged in Count 14 of this Superseding Indictment	D.W.	Name and Social Security Number XXX-XX-9655
26	February 5, 2013	Wire Fraud, as charged in Count 15 of this Superseding Indictment	S.J.	Name and Social Security Number XXX-XX-2643

COUNT	DATE OF OFFENSE (on or about)	RELATED FELONY	INITIALS OF ACTUAL PERSON WHOSE NAME WAS USED	MEANS OF IDENTIFICATION
27	July 8, 2013	Wire Fraud, as charged in Count 16 of this Superseding Indictment	S.F.	Name and Social Security Number XXX-XX-8547
28	October 9, 2013	Wire Fraud, as charged in Count 17 of this Superseding Indictment	D.B.	Name and Social Security Number XXX-XX-5280
29	October 9, 2013	Wire Fraud, as charged in Count 18 of this Superseding Indictment	J.C.	Name and Social Security Number XXX-XX-5858
30	October 9, 2013	Wire Fraud, as charged in Count 19 of this Superseding Indictment	T.N.	Name and Social Security Number XXX-XX-9023
31	October 15, 2013	Wire Fraud, as charged in Count 20 of this Superseding Indictment	Y.S.	Name and Social Security Number XXX-XX-4423
32	October 16, 2013	Wire Fraud, as charged in Count 21 of this Superseding Indictment	F.R.	Name and Social Security Number XXX-XX-7248
33	October 16, 2013	Wire Fraud, as charged in Count 22 of this Superseding Indictment	A.T.	Name and Social Security Number XXX-XX-1490
34	October 16, 2013	Wire Fraud, as charged in Count 23 of this Superseding Indictment	J.G.	Name and Social Security Number XXX-XX-1980

All in violation of 18 U.S.C. § 1028A(a)(1).

COUNTS 35-37
[18 U.S.C. § 1343]

17. The fraudulent scheme was executed by **LANCE EALY** in the manner as alleged in Paragraphs 1 through 8, Paragraph 11 and Paragraph 12 of this Superseding Indictment, which are hereby incorporated by reference as if set forth fully herein.

18. On or about the dates listed below, in the Southern District of Ohio, **LANCE EALY**, for the purpose of executing the above-described scheme and artifice to defraud the Internal Revenue Service, transmitted and caused to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds as described for each count below:

Count	Approximate Date of Wire Transmission	Wire Communication
35	October 23, 2013	Electronic transfer of fraudulent federal tax refund in the amount of \$611.00 from the Internal Revenue Service to a JPMorgan account ending with x7596 whose purported account holder has the initials "R.P."
36	October 23, 2013	Electronic transfer of fraudulent federal tax refund in the amount of \$600.00 from the Internal Revenue Service to a JPMorgan account ending with x8228 whose purported account holder has the initials "J.F."
37	October 23, 2013	Electronic transfer of fraudulent federal tax refund in the amount of \$278.87 from the Internal Revenue Service to a JPMorgan account ending with x0983 whose purported account holder has the initials "K.M."

All in violation of 18 U.S.C. § 1343.

COUNT 38
[18 U.S.C. § 1341]

19. Beginning in at least October 2012 and continuing until at least November 2013, in the Southern District of Ohio, **LANCE EALY** knowingly devised, participated in and executed a scheme and artifice to defraud the Internal Revenue Service to obtain money from the Internal Revenue Service, by means of false or fraudulent pretenses, representations, and promises, which were material in that, if believed, they would and did induce the United States to issue federal income tax refund payments.

20. The fraudulent scheme was executed by **LANCE EALY** in the manner as alleged in Paragraphs 1 through 8, Paragraph 11, Paragraph 12 and Paragraph 18 of this Superseding Indictment, which are hereby incorporated by reference as if set forth fully herein.

21. On or about June 7, 2013, in the Southern District of Ohio, **LANCE EALY**, for the purpose of executing the above-described scheme and artifice to defraud the Internal Revenue Service, placed, caused to be placed, and caused to be delivered in the mail, certain writings, specifically a fraudulent federal tax refund that was mailed from the Internal Revenue Service to 728 Osmond Avenue, Dayton, Ohio, which is located in the Southern District of Ohio.

All in violation of 18 U.S.C. § 1341.

COUNTS 39-41
[18 U.S.C. § 1028A(a)(1)]

22. The allegations in Paragraphs 1 through 8, Paragraph 11, Paragraph 12 and Paragraph 18 of this Superseding Indictment are realleged and incorporated by reference as though full set forth herein.

23. On or about the dates listed below, in the Southern District of Ohio, **LANCE EALY** knowingly transferred, possessed, and used, without lawful authority, the means of identification of other persons, including the names and Social Security numbers of actual persons known to the Grand Jury and identified below by their initials, during and in relation to a felony enumerated in 18 U.S.C. § 1028A(c), namely wire fraud, in violation of 18 U.S.C. § 1343, as charged in Counts 35 through 37 of this Superseding Indictment. Each of the foregoing allegations is hereby incorporated into each of the following counts as if fully set forth therein:

COUNT	DATE OF OFFENSE (on or about)	RELATED FELONY	INITIALS OF ACTUAL PERSON WHOSE NAME WAS USED	MEANS OF IDENTIFICATION
39	October 23, 2013	Wire Fraud, as charged in Count 35 of this Superseding Indictment	R.P.	Name and Social Security Number XXX-XX-6830
40	October 23, 2013	Wire Fraud, as charged in Count 36 of this Superseding Indictment	J.F.	Name and Social Security Number XXX-XX-4319
41	October 23, 2013	Wire Fraud, as charged in Count 37 of this Superseding Indictment	K.M.	Name and Social Security Number XXX-XX-3204

All in violation of 18 U.S.C. § 1028A(a)(1).

COUNTS 42
[18 U.S.C. § 1029(a)(2), (b)(1)]


24. Beginning on or about January 1, 2013 and continuing until on or about December 31, 2013, in the Southern District of Ohio, **LANCE EALY** knowingly and with intent to defraud used and attempted to use one or more unauthorized access devices during this one-year period, and by such conduct obtained things of value aggregating \$1,000 or more during that period, in and affecting interstate and foreign commerce.

In violation of 18 U.S.C. § 1029(a)(2), (b)(1).

A TRUE BILL

//SIGNED//
FOREMAN

CARTER M. STEWART
United States Attorney



LAURA I. CLEMMENS
Chief, Dayton Branch